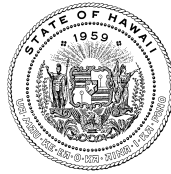


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FINANCIAL ADMINISTRATION DIVISION
OFFICE OF FEDERAL AWARDS MANAGEMENT (OFAM)

WRITTEN ONLY
TESTIMONY BY WESLEY K. MACHIDA
DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE
TO THE SENATE COMMITTEE ON WAYS AND MEANS
ON
SENATE BILL NO. 943

February 14, 2017
9:25 a.m.
Room 211

**MAKING AN APPROPRIATION TO THE EMERGENCY AND BUDGET RESERVE
FUND**

Senate Bill No. 943 appropriates \$25 million in general funds for FY 17-18 to further capitalize the Emergency and Budget Reserve Fund (EBRF).

The Department of Budget and Finance strongly supports this Administration bill. A continued effort must be made to further capitalize the State's fiscal reserves as expeditiously as possible. The additional \$25 million in FY 17-18 will bring the projected FY 17-18 balance of the EBRF up to \$342.2 million, which represents close to a five percent general fund reserve.

The department strongly believes that increasing the level of reserves is prudent and sound, and is necessary to help ensure the State's fiscal stability in future economic downturns.

Thank you for your consideration of our comments.